

# ZIONS BANK

## Press Release

**\*\*\* FOR IMMEDIATE RELEASE \*\*\***

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### **LOWER UTILITIES RATES AND MEDICAL CARE PRICES LED TO MARGINAL DECLINE IN WASATCH FRONT CONSUMER PRICE INDEX**

SALT LAKE CITY, Utah; November 17, 2016 — The Zions Bank Wasatch Front Consumer Price Index (CPI) decreased 0.2 percent from September to October on a non-seasonally adjusted basis. The index has grown 1.2 percent since this same time last year, which is below the Federal Reserve's national inflation target of 2 percent. The national Consumer Price Index increased 0.1 percent from September to October and has grown 1.6 percent over the last year.

The decline in Utah's overall CPI was driven by lower prices in several categories. Utilities prices declined more than any other measured sector, falling 4.3 percent as electricity providers switched to lower winter rates. Prices for medical care declined 2.2 percent in October as prices for several medical care services decreased. Utah continues to remain insulated from rising national medical care prices, which have increased 4.3 percent nationally but have declined 0.3 percent since this time last year in the state. Utilities and medical care expenditures account for nearly 11 percent of the average Utahn's expenses, resulting in a moderate impact on the overall CPI.

Transportation prices increased 1.1 percent in October as prices for gasoline, vehicles, and vehicle maintenance rose, more than offsetting lower prices for public transit and airfares. The price of Brent Crude Oil, the international benchmark for oil prices, fell through most of October as expectations surrounding the impact of an OPEC deal to limit production have waned. Currently, futures register at about \$47 per barrel compared to \$38 per barrel at the year's open and \$51 per barrel at the beginning of October. In spite of a seasonal drop in demand, gasoline prices increased in October, partly due to closures of ports and fuel terminals in several states threatened by Hurricane Matthew. Gas prices in Utah are currently higher than the national average of \$2.15 per gallon, currently averaging \$2.33 per gallon. Since this time last year,

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transportation prices have declined 0.4 percent in Utah and have increased 0.2 percent in the U.S.

Prices for other goods and services increased 1.1 percent, as prices for personal care products, cosmetics, and laundry services increased, offsetting lower prices for smoking and tobacco products. Prices in the clothing sector increased 0.2 percent this month as prices for women's apparel increased. Combined, these two categories account for 8 percent of the average Utahn's expenditures, resulting in a minor impact on the overall CPI.

Recreation prices fell 0.9 percent this month as prices for some pets and pet products declined. Prices for education and communication decreased 0.5 percent in October as tuition rates for some elementary and high schools declined.

Food at home prices increased 0.6 percent in October as prices for a variety of fruits and produce rose. Meanwhile, prices for food away from home increased 0.2 percent as prices for alcoholic beverages and fast food and snacks rose slightly.

Prices for the housing sector declined 0.1 percent as hotel and motel rates fell, and prices for furniture and home appliances decreased. Prices in the housing sector as a whole have increased 2.7 percent since this time last year. Specifically, prices for homes in Utah have fared even better, rising 7.8 percent in the last year compared to a national increase of 6.3 percent.

“According to AAA's travel forecast, a million more Americans are expected to travel this Thanksgiving than last year,” said Scott Anderson, Zions Bank President and CEO. “Consumers are taking advantage of relatively low transportation prices and signaling their confidence in their personal financial situations as well as the overall economy.

Analysis and data collection for the Zions Bank CPI and the Zions Bank Consumer Attitude Index are provided by the Cicero Group. The Cicero Group is a premier market research firm based in Salt Lake City. The Zions Bank Utah Consumer Attitude Index will be released November 29, 2016.

Zions Bank is Utah's oldest financial institution and is the only local bank with a statewide distribution of branches, operating 100 full-service offices. Zions Bank also operates 24 full-service branches in Idaho. In addition to offering a wide range of traditional banking services, Zions Bank is also a leader in small business lending and has ranked as the No. 1 lender of U.S. Small Business Administration 7(a) loans in Utah for the past 22 consecutive years. Founded in 1873, Zions Bank has been serving the communities of Utah for more than 140 years. Additional information is available at [www.zionsbank.com](http://www.zionsbank.com).